

MINUTES

KANSAS ELECTRIC TRANSMISSION AUTHORITY

July 25, 2007
Kansas Corporation Commission
1500 SW Arrowhead
Topeka, KS 66604

Members Present

Representative Carl Holmes, Chairperson
Earnie Lehman, Vice-Chairperson
Tim McKee, Secretary
Senator Jay Emler
Les Evans
Representative Annie Kuether
Senator Janis Lee

The meeting was called to order by Chairperson Holmes at 10:00 a.m.

The Chairperson asked to add to the agenda an executive session for consultation with legal counsel. That session would be held prior to the discussion of KETA procedures. The Chairperson also asked for approval of an amendment to the agenda to include a proposed motion on transmission lines prior to discussion of other matters. The Vice-Chairperson asked that ITC Great Plains brief the Board during the meeting regarding the company's recent announcement. *Senator Emler made and Mr. McKee seconded, the motion to approve the agenda as amended. The motion passed.*

The Chairperson opened the floor for correction and approval of the June minutes. Senator Lee asked for correction of typographical errors in the draft. *Senator Emler moved, and Senator Lee seconded, a motion to make the necessary corrections and to approve the minutes as corrected. The motion passed.*

The Chairperson recognized Mr. McKee for a report on the meeting with other states' transmission authorities held in Rapid City, South Dakota on June 13. He reported that the state authorities discussed congressional action to create a federal tax exemption for bonds issued by those authorities. He reported on several follow-up conversations regarding that matter. A plan was developed to ask the governors of those states to support the congressional legislation. Governor Sebelius' office was willing to sign the letter (Attachment 1). He believes the letter was signed by all the governors.

Chairperson Holmes noted that the authorities agreed to meet again in Santa Fe, New Mexico in December. He and Mr. Lehman noted that there are interstate issues that will need to be addressed by the authorities jointly as projects are initiated.

The Chairperson informed the Board that he had appointed Mr. McKee to represent KETA in a multi-state working group. He opened the floor for a motion to ratify that appointment. *Senator Emler made, and Mr. Lehman seconded, a motion to ratify the Chairperson's appointment. The motion passed.*

The Chairperson recognized Mr. McKee for a motion to recess into executive session for the purpose of consultation with legal counsel. *Mr. McKee made, and Mr. Evans seconded, a motion to recess at 10:20 a.m. into executive session for consultation with the Board's attorney on matters protected by the attorney-client privilege and that the Board return to open session at 10:40 a.m. The motion passed.*

The Board returned from executive session at 10:40 a.m.

The Chairperson opened the floor for discussion of KETA procedures. He noted that consistent with the KETA bylaws he may appoint Board members to consider and make recommendations to the Board on issues that are before, or which may come before the Board.

The Chairperson opened the floor for discussion of the Budget worksheet for FY 2008 revisions and the FY 2009 request (Attachment 2). *Mr. Lehman made, and Mr. McKee seconded, a motion to submit a request to the Governor for the FY 2008 revised budget as shown on the worksheet and to request the FY 2009 appropriation from the State General Fund as shown on the worksheet. The motion passed.*

The Chairperson recognized Kimberly Gencur, Vice President for Government Affairs and Community Relations, and Alan Myers, Vice President for Technical Services of ITC Great Plains to provide information about the recent ITC Great Plains announcement that it would construct the northeast segment of the Southwest Power Pool (SPP) designated X Plan transmission line. The line proposed by ITC will extend from Spearville, Kansas through Comanche County to Wichita and is planned to go into service in late 2010. ITC Great Plains has retained Black and Veatch to work on the line. ITC will work with the SPP to determine the appropriate voltage for the line.

The Board recessed for lunch at 12:00 noon.

The Board reconvened at 1:30 p.m. The Chairperson recognized Keith Tynes of SPP for followup discussion of the transmission line study prepared by SPP for the Board.

The Chairperson opened the floor for discussion of the next steps in the KETA workplan. Mr. Lehman and Mr. Evans discussed the "Framework for Considering a Notice to Proceed with Construction, Third draft – July 24, 2007" (Attachment 3).

Mr. Lehman made, and Representative Kuether seconded, a motion that KETA begin the process of planning, developing and constructing a 345 kV electric transmission line from the vicinity of Spearville, Kansas to the vicinity of Axtell, Nebraska with the option of terminating the line in the vicinity of Hays, Kansas. The motion included direction to staff to prepare for publication the appropriate notice in accordance with KSA 74-99d01, et seq. Such notice is to be published as soon

as possible so that the 90-day period for private entities to notify KETA of intent to build the project will end on or before December 1, 2007. The motion passed.

The Board discussed the need for professional services to begin planning for construction of the line. The Chairperson designated Mr. Lehman and Mr. Evans to begin work on a draft RFP for professional services.

The Chairperson recognized Senator Emler who made a motion, seconded by Representative Kuether, directing KETA's legal counsel to prepare an amendment to the Board's bylaws removing the option for publication of meeting notices in the Kansas Register. The motion also directed counsel to review the bylaws generally and make any recommendations for additional amendments at the next meeting. The motion passed.

The next meeting of the Board will begin at 11:00 a.m. on September 4, 2007 at the offices of Triplett, Woolf, & Garretson in Wichita. Items to be included on the agenda for that meeting include reports from ITC Great Plains on its X-Plan progress, Mr. Lehman and Mr. Evans regarding the draft RFP for professional services for the Spearville-Axtell line, and from counsel regarding proposed bylaw amendments. The Board also may discuss at the next meeting any necessary legislation to be requested from the 2008 Legislature.

The Chairperson adjourned the meeting at 3:10 p.m.

Respectfully submitted,

Tim McKee, Secretary

Approved by the Board on:

September 4, 2007

(Date)